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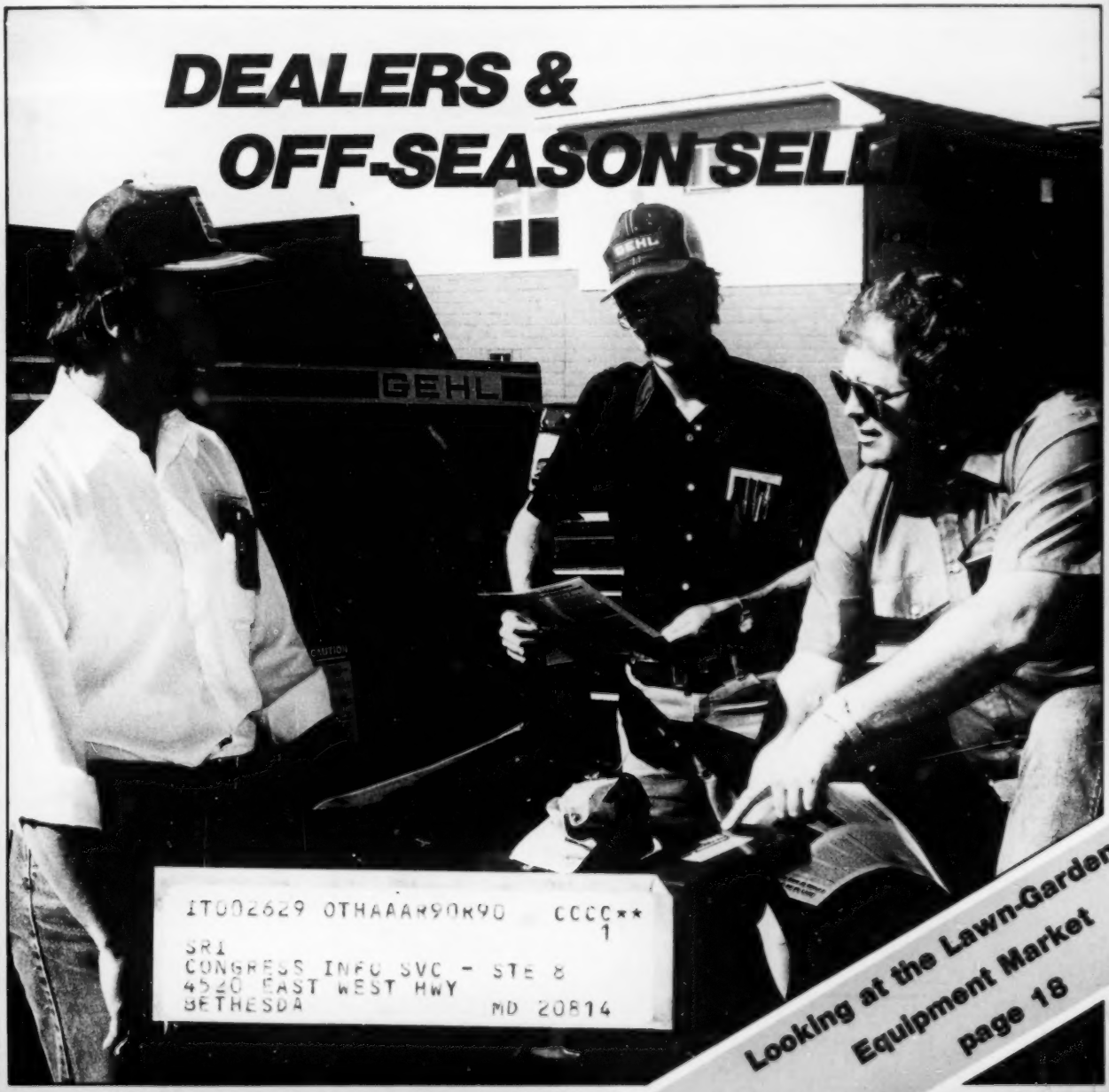
I&T 100 YEARS OF LEADERSHIP

Implement & Tractor

The business magazine of the farm and industrial equipment industry March 1988

Shortliners: Where Will They Go? page 10



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Looking at the Lawn-Garden Equipment Market page 18

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The business magazine of the farm and industrial equipment industry.

March 1988 • Vol. 103 • No. 3

On Our Cover

Dale Schraufnagel (left), Rick Welak and Larry Schraufnagel of Lomira, Wis., reflect on changes in farmers' buying patterns. Their summertime spreader sales, for instance, are up.

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Features

10: **Will shortliners** be able to keep their current places in majors' dealerships? What other possibilities are there? Several shortline manufacturers give their views in this feature.

11: **Farmhand's Joe Lund** speculates on the general approach to marketing he sees for the farm equipment industry.

14: **Here's one dealer** who is surviving the era of the big discount—using a combination of good used equipment, selected shortlines and strong merchandising plans.

18: **Finding the right people** and helping them do their job well are keys for this dealer's growth in the outdoor power equipment market.

22: **Do you know** what a buyer wants to know when he's shopping for a lawn mower? Here are the six most frequently asked questions.

28: **The outdoor power equipment** market continues its steady pattern of growth. Here's a look at what's been happening.

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INDUSTRY UPDATE

January Retail Sales Jumped

U.S. retail sales of farm tractors and combines in January kept up the pace that was going on at the end of 1987, according to the flash report of the Farm & Industrial Equipment Institute.

Two-wheel-drive tractors: Under 40 hp—2,949 units, just two sales under the January 1987 level. From 40-99 hp—2,394 units, up 16 percent. From 100-139 hp—512 units, up 45 percent. 140 hp and over—1,255 units, up 94 percent. Total—7,110 units in January 1988, up 18 percent from the 6,021 in January 1987.

Four-wheel-drive tractors: Under 200 hp—66 units, up 113 percent. 200 hp and over—114 units, up 27 percent. Total—180 units, up 49 percent.

Total tractors: 7,290 units in January 1988, up 19 percent from the 6,142 units of January 1987.

Combines: 606 self-propelled units sold, up 265 percent from the 166 of January 1987.

Balers, under 200 lbs.—down 18 percent at 191 units.

Forage harvesters, shear-bar type—down 25 percent at 64 units.

Mower-conditioners—down 25 percent at 296 units.

Part of the reason for the strong January numbers, according to one industry observer, is that sales by John Deere dealers in the second half of December were not included in that month because of Deere's holiday closing down, and were thus shown in January instead.

	Unit Retail Sales		
	January		
Equipment	1988	1987	% Change
Farm Wheel Tractors:			
2-Wheel Drive			
Under 40 HP	2,949	2,952	(.1)
40 & Under 100 HP	2,394	2,068	15.8
100 & Under 140 HP	512	353	45.0
140 HP & Over	1,255	648	93.7
Total 2-Wheel Drive	7,110	6,021	18.1
4-Wheel Drive			
Under 200 HP	66	31	112.9
200 HP & Over	114	90	26.7
Total 4-Wheel Drive	180	121	48.8
Total Farm Wheel Tractors	7,290	6,142	18.7
Combines (Self-Propelled)	606	166	265.1
Balers (Bales under 200 lbs)	191	234	(18.4)
Forage Harvesters (Shear Bar Type)	64	85	(24.7)
Mower Conditioners	296	394	(24.9)

Briefly...

Mike Broeker has succeeded Joe Daniel as director and manager of Kubota Tractor Corp.'s Central Division at Dallas, Texas. Jack Cross is new assistant division manager. Broeker had been assistant division manager. Daniel will continue as a marketing consultant on special projects.

Saws, Trimmers, Blowers: Good '87, Better '88

Shipments of gasoline-powered portable power equipment—chain saws, trimmers and brushcutters, leaf blowers and generators—showed increases in 1987 over 1986 and are expected to increase again in 1988, according to the Portable Power Equipment Manufacturers Assn.

Chain saws: 1.35 million shipped in 1987, even with 1986. Estimated 1988 shipments—up 2 percent.

Trimmers/brushcutters: Estimated 1987 shipments, 2.748 million, up 15 percent from 1986. Shipment estimate for 1988—up 11 percent.

Hand-held leaf blowers: Estimated 1987 shipments, 397,000 units, up 18 percent on 1986. Estimated 1988 shipments, up 8 percent.

Safety Kit Offered

Point-of-purchase kits are being offered by the Outdoor Power Equipment Institute to retailers. The kits are designed to help retailers educate consumers about the importance of outdoor power equipment safety and include a poster, a banner, and a consumer handout. The kit is available from OPEI at 24500 Center Ridge Rd., Westlake, Ohio 44145.

INVENTORY WATCH

WHAT'S HAPPENING TO STOCKPILES IN RELATION TO SALES.

	Inventory Levels							12-Month Sales,
Equipment	Dec. 31, 1986	July 31, 1987	Aug. 31, 1987	Sept. 30, 1987	Oct. 31, 1987	Nov. 30, 1987	Dec. 31, 1987	Jan. 1, 1987 Dec. 31, 1987
Tractors								
Under 40 hp	62,442	61,675	60,991	59,939	59,399	60,981	60,179	59,902
40-99 hp	23,520	20,644	20,464	19,999	18,996	19,622	20,042	30,718
100 hp and over	13,805	11,940	9,329	7,490	6,306	5,704	5,524	15,911
Four-wheel drive	1,660	1,469	1,415	1,534	1,474	1,598	1,697	1,653
Total Tractors	**101,427**	**95,728**	**92,199**	**88,962**	**86,175**	**87,905**	**87,442**	**108,184**
S-P Combines	4,271	5,871	5,893	5,344	4,496	4,044	3,588	7,172

Source: Farm & Industrial Equipment Institute

Outdoor Power Equipment Market Keeps Growing

THE LAWN and garden equipment business continues its steady pattern of growth. A quick look at that table showing the value of lawn and garden equipment shipments shows that the consumer products part has gone up by 56 percent and the commercial equipment part is up by 73 percent from 1982 to 1986.

In addition to the shipments data shown here up to 1986, the Outdoor Power Equipment Institute estimates that 1987 shipments rose in most categories over 1986 totals.

The OPEI estimates: Walk-behind power mowers, 5.9 million shipped, up 9 percent on 1986. Lawn tractors and riding mowers, front-engine type, 800,000, up 28 percent; rear engine type, 375,000, up 16 percent. Riding garden tractors, 150,000, up 1 percent. Rotary tillers, at 272,000 units, declined 12 percent.

The OPEI has proclaimed April to be Outdoor Power Equipment Safety month and the organization has persuaded many mayors and state governors to make similar proclamations.

According to William Rathke, OPEI safety education committee chairman and president of Western International, "Tens of thousands of retailers will talk to consumers at the local level and promote the importance of equipment safety.

"OPEI will also begin operating a Safety News Bureau, which will provide safety information to the general public and the media."

The bureau's number is 216-835-4000. □

Lawn and Garden Equipment: Value of Manufacturers' Shipments, 1982-86

(in millions)

Year	Commercial Lawn-Garden Equipment	Consumer Lawn-Garden Equipment
1982	$238	$2,248
1983	263	2,475
1984	334	2,978
1985	377	3,155
1986	412	3,403

Source: Current Industrial Reports, Series MA—35A, Bureau of the Census.

Lawn and Garden Equipment — Manufacturers' Shipments, 1984-1986

(in units)

	1986	1985	1984
SELECTED CONSUMER NON-RIDING LAWN, GARDEN AND SNOW EQUIPMENT			
Lawn mowers			
Push type, gas powered, reel	51,935	34,844	32,066
Push type, gas powered, rotary	3,660,058	3,567,467	3,452,606
Self-propelled, gas powered, rotary and electric types	1,880,015	1,671,101	1,799,902
Rotary garden motor tillers and 2-wheel walking type tractors	324,185	352,810	434,366
Snowthrowers, single stage	336,603	282,386	272,398
Snowthrowers, dual stage	201,826	156,669	140,315
Shredders and shredder-grinders	67,211	55,770	34,229
Yard vacuums, blowers, lawn sweepers (except attachment type)	951,472	1,125,579	766,522
Edgers and trimmers, powered			
fixed blade	468,642	572,588	NA
Other than fixed blade			
Gasoline	1,126,990	3,912,956	NA
Other, incl. electric	3,352,913		
SELECTED COMMERCIAL TURF AND GROUNDS MOWING AND CARE EQUIPMENT			
Powered non-riding mowers	59,303	58,455	69,304
Riding reel-type turf mowers and greens mowers	7,004	15,662	7,500
Riding rotary turf mowers	30,102	33,105	30,235
Gang rotary cutting units, reel and rotary, individual sections	34,327	14,290	14,503
Flail mower cutting units, including gang	3,332	4,578	3,965
Other mowing equipment	8,228	4,703	4,660
Dethatchers	2,561	3,372	3,982
Power brooms, blower vacuums, sweepers	9,630	5,742	8,608
Seeders, spreaders, top dresser attachments	29,880	NA	NA
SELECTED CONSUMER RIDING LAWN AND GARDEN EQUIPMENT			
Lawn tractors and riding mowers			
Front engine, under 10 HP	86,880	119,007	86,165
Front engine, 10 HP and over	539,446	454,734	413,937
Rear engine, under 8 HP	41,978	28,675	35,795
Rear engine, 8-9.9 HP	153,326	188,811	130,936
Rear engine, 10 HP and over	112,358	130,936	134,680
Garden tractors			
Under 14 HP	31,537	31,862	21,620
14-15.9 HP	10,946	11,261	7,937
16 HP and over	85,573	69,023	77,390

Source: Current Industrial Reports, Series MA-35A, Bureau of the Census.